

REMARKS**A. Overview**

Claims 1-5, 7-9, 31-36, 41-55, and 75-106 were pending when the Office Action was mailed. Applicants herein amend claims 1, 5, 9, 36, 45, 53, 75, 77, 79, 80, 91, 93, 96, and 101-105 and cancel claim 106. Accordingly, claims 1-5, 7-9, 31-36, 41-55, and 75-105 are currently pending.

The following table reflects the rejections presented in the Office Action:

<u>Claims</u>	<u>Basis</u>	<u>References</u>
106	Double Patenting	Claim 104
1-5, 45-50, 55, 75-81, 87-89, 91-99, 101, 102, 104-106	102(e) or 103(a)	U.S. Patent No. 6,285,987 to Roth ("Roth")
7, 8, 31-35, 41-43, 51, 52, 82-86	103(a)	Roth and U.S. Patent No. 6,178,408 to Copple et al. ("Copple")
9, 53	103(a)	Roth, Copple, and U.S. Patent No. 5,794,210 to Goldhaber et al. ("Goldhaber")
44, 90, 100	103(a)	Roth, Copple, and U.S. Patent No. 6,339,438 to Bates et al. ("Bates")
36	103(a)	Roth, Copple, and U.S. Patent No. 6,249,768 to Tulske, Jr. et al. ("Tulske")
54	103(a)	Roth, Copple, and U.S. Patent No. 6,324,519 to Eldering ("Eldering")
1-5, 45-50, 55, 75-81, 87-89, 91-99, 101-106	103(a)	Roth and U.S. Patent No. 6,269,361 to Davis et al. ("Davis")
7, 8, 31-35, 41-43, 51, 52, 82-86	103(a)	Roth, Davis, and Copple
9, 53	103(a)	Roth, Davis, Copple, and Goldhaber
44, 90, 100	103(a)	Roth, Davis, Copple, and Bates
36	103(a)	Roth, Davis, Copple, and Tulske
54	103(a)	Roth, Davis, Copple, and Eldering

Applicants respectfully traverse these rejections. Nevertheless, applicants herein amend the claims to clarify the subject matter for which they seek protection. For the reasons discussed in detail below, applicants submit that the pending claims are in condition for allowance.

B. Double Patenting Rejection

The Examiner rejects claim 106 under 35 U.S.C. § 101 as being a substantial duplicate of claim 104. Applicants herein cancel claim 106. Accordingly, applicants request that the Examiner reconsider and withdraw this rejection.

C. Rejections under 35 U.S.C. §§ 102 and 103

The Examiner rejects all of the independent claims over Roth and, alternatively, over a combination of Roth and Davis.

1. Applicants' Technology

Applicants' claimed technology enables a user to increase overall advertising revenue collected from on-line display space. Initially, advertisers "specify via an advertising plan the display space for which the advertiser[s] want[] to bid." (Specification, 10:20-21). "An advertising plan may specify the identification of a web page or types of web pages, the type of advertisement (e.g., link or banner advertisement) to be placed on [a] web page, the time period during which the advertisement can be placed, and a bid amount." (Specification, 6:20-23). Each time an advertisement is to be placed on a page, a plan is selected from a set of eligible advertising plans. A strategy of selecting the advertising plan with the highest bid amount each time a web page access meets the eligibility of multiple advertising plans may not maximize the overall advertising revenue. (Specification, 10:25-11:2). For example, "if the time period for [a] losing advertising plan expires without all the requested number of web page accesses being satisfied, then it would have increased the overall revenue if that display space had been awarded to the losing advertising plan (assuming that all the requested number for the winning advertising plan would still be satisfied)." (Specification, 11:9-13). "To assist in selecting an advertising plan, the display system may dynamically normalize bid amounts," based on factors such as "actual bid amount and the likelihood that the advertiser will be provided with display

space on [a] requested number of web page accesses," and allocate the display space to the advertiser with the highest bid amount. (Specification, 11:13-18). "The highest normalized bid is the bid that is anticipated to lead to the maximum overall revenue." (Specification, 11:18-19).

2. Roth

Roth is directed to "a system for providing advertisements from a central server to viewers who access web sites." (Roth, Abstract). In Roth, "[p]roposed bids submitted by different advertisers are evaluated in real time in order to determine which particular advertisement will be displayed to a viewer." (Roth, Abstract). Each time a viewer selects to view a web page with a reference to a web server system, a "view-op," "bidding agents 30 determine if the characteristics of the view-op meet the criteria in the proposed bids and if so they submit bids to bid selection logic." (Roth, 5:20-32). The selection logic "selects the highest bid and therefore an advertisement for display." (Roth, 5:33-37). Furthermore, Roth allows an advertiser to set a maximum bid price and activate a "Minimize Bid" option that causes the system to "try to bid the minimum amount necessary to maintain the level of buying that will ensure the desired number of impressions during the time allotted." (Roth, 8:29-43).

3. Davis

Davis is directed to techniques for "enabling information providers to influence a position for a search listing within a search result list." (Davis, Abstract). Davis stores a set of information provider accounts having at least one searching listing that includes "a description, a search term comprising one or more keywords, and a bid amount." (Davis, Abstract). When an information provider enters a new bid amount, Davis "compares this bid amount with all other bid amounts for the same search term, and generates a rank value for all search listings having that search term." (Davis, Abstract). "A higher bid...will result in a higher rank value and a more advantageous placement." (Davis, Abstract).

4. Analysis

Claim 1 now recites "selecting...a received bid whose bid amount is not the highest of the bids whose advertisement is eligible to be placed in the display space slot of the web page instance" and "charging the source of the selected bid the amount indicated by the selected bid." Similarly, claim 45 now recites "a component that selects a bid...wherein the selected bid does not have the highest bid amount of those bids whose advertisement is eligible to be displayed in the advertising space slot" and "a component that charges the source of the selected bid the amount indicated by the selected bid." Similarly, claim 91 now recites "identifying advertising plans whose advertisements can be placed on the display space" and "selecting an identified advertising plan...whose bid amount is not the highest bid amount of the identified advertising plans...and charging the source of the selected advertising plan the bid amount associated with the selected advertising plan." Similarly, claim 101 now recites "identifying provided advertising plans whose advertisements are eligible to be placed in the display space" and "selecting an eligible advertising plan...whose amount is lower than the amount of the other advertising plan" and "charging the source of the selected advertising plan the amount of the selected advertising plan." Similarly, claim 102 now recites "generating normalized bid amounts for the provided bids whose advertisements are eligible to be placed on the web page instance" and "placing the advertisement of the bid with the highest normalized bid amount in the display space...wherein the bid with the highest normalized bid is not the bid with the highest bid amount; and charging the source of the bid with the highest normalized bid amount the amount indicated by the bid with the highest normalized bid amount." The Examiner rejects all of these claims over Roth and, alternatively, over a combination of Roth and Davis. Neither Roth nor a combination of Roth and Davis disclose these features.

The Examiner relies on Roth as disclosing "an optimization method [col 8 lines 32-40] that attempts to 'maintain the level of buying' to ensure the number of ad impressions is reached during the allotted time period." (Office Action, Page 3). "Roth

et al. achieves this by dynamically and artificially adjusting the bid amount upward to help ensure the ad is selected and help reach the optimum level of buying." (Office Action, Page 4). The Examiner takes the position that "[e]ven though the advertiser-submitted bid may be supplemented by the system, the selection of an underachieving ad is taken to be selection of an ad having a low advertiser-submitted bid, regardless of how much the system supplements such bid." (Office Action, Page 16). Applicants herein amend each of the independent claims to indicate that the source of a selected advertisement whose bid amount is not the highest of the bids is charged the amount indicated by the associated bid amount. In contrast to applicants' claimed invention, Roth charges the source of a selected advertisement the amount indicated by a winning bid, which may be different than an advertiser-submitted bid due to "inflat[ion] by the system in order to influence its selection." (Office Action, Page 17). In other words, Roth only selects "an ad having a low advertiser-submitted bid" when a higher amount can be charged for selecting the bid due to the system's adjustment of the bid. Roth does not select a bid whose bid amount is not the highest of the bids whose advertisement is eligible to be placed and charge the source of the bid the amount supplied by the source as recited. Accordingly, claims 1, 45, 91, 101, and 102 are patentable over Roth as are their dependent claims.

Davis similarly fails to disclose selecting a bid whose bid amount is not the highest of the bids whose advertisement is eligible to be placed and charging the source of the bid the amount supplied by the source. In Davis, search results list entries are displayed according to an associated rank value "determined in a direct relationship to the bid amount 358; the higher the big amount, the higher the rank value, and the more advantageous the placement location on the search result list." (Davis, 13:16-20). "Preferably, the rank value is assigned through a process [that]...gathers all search listings that match a particular search term, sorts the search listings in order from highest to lowest bid amount, and assigns a rank value to each search listing in order. The highest bid amount receives the highest rank value, proceeding to the lowest bid amount, which receives the lowest rank value." (Davis, 18:8-17). Once a search listing

has been assigned a rank value and, therefore, assigned to a location on a search result list, it is no longer eligible to receive another rank value or to be assigned to another location on the search results list page. Consequently, each time Davis selects a search listing to which to assign a rank value and, therefore, assigns a search listing to a location on a search result list, Davis selects from the set of eligible search listings (i.e., the search listings that have not been assigned a rank value) the search listing with the highest bid amount. Because Davis assigns rank values to search listings from "highest rank value" to "lowest rank value," Davis assigns each rank value to the eligible search listing with the highest bid amount. In contrast, at each opportunity to select an advertisement to display on a page, applicants' claimed technology selects an advertisement having a bid amount that is not the highest bid amount.

Each time either Roth or Davis selects an advertisement or search listing to place on a page, they select the advertisement or listing from the source willing to pay the most. Both Roth and Davis are directed to techniques for maximizing per impression revenue. Applicants' claimed invention, on the other hand, seeks to maximize overall revenue using a bid selection process that does not necessarily maximize per impression revenue. Applicants submit that the Examiner has provided no basis for one skilled in the art to combine Roth and Davis to maximize overall revenue using a bid selection process that does not maximize per impression revenue, and has shown nothing in the art to indicate that a person of ordinary skill in the art understood at the time of applicants' invention that overall revenue can or should be maximized using a bid selection process that does not maximize per impression revenue. For the foregoing reasons, applicants respectfully submit that claims 1, 45, 91, 101, and 102 are patentable over a combination of Roth and Davis and request that the Examiner reconsider and withdraw these rejections.

D. Conclusion

Based upon the above amendments and remarks, applicants respectfully request reconsideration of this application and its early allowance. If the Examiner has any questions or believes a telephone conference would expedite prosecution of this application, the Examiner is encouraged to call the undersigned at (206) 359-6373.

Please charge any deficiencies, or credit any overpayment, to our Deposit Account No. 50-0665, under Order No. 249768014US from which the undersigned is authorized to draw.

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Respectfully submitted,

By 
Steven D. Lawrenz
Registration No.: 37,376
PERKINS COIE LLP
P.O. Box 1247
Seattle, Washington 98111-1247
(206) 359-8000
(206) 359-7198 (Fax)
Attorney for Applicant